

RUSH TOWNSHIP  
(SHIAWASSEE COUNTY)

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2004

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>RUSH TOWNSHIP</b>	County <b>SHIAWASSEE</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>8/6/04</b>	Date Accountant Report Submitted to State: <b>9/10/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>DEMIS AND WENZLICK, P.C.</b>			
Street Address <b>217 N WASHINGTON STREET, SUITE 201</b>		City <b>OWOSSO</b>	State <b>MI</b>
Accountant Signature <i>For J. Chert, CPA</i>		ZIP <b>48867</b>	Date <b>9/10/04</b>

## TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 2
AUDITED FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups	3 - 4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual	6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings	7
Combined Statement of Cash Flows - All Proprietary Fund Types	8
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	9
Schedule of Bonded Debt - 1996 Shiawassee County Sewage Disposal General Obligation Bond Issue	10
Notes to Financial Statements	11 - 21
OTHER FINANCIAL INFORMATION	
General Fund:	
Balance Sheet	22
Statement of Revenues, Expenditures and Changes in Fund Balance	23 - 25
Special Revenue Fund:	
Fire and Ambulance Fund - Balance Sheet	26
Fire and Ambulance Fund - Statement of Revenues Expenditures and Changes in Fund Balance	27
Enterprise Fund:	
Henderson Sewage Disposal System - Balance Sheet	28 - 29
Henderson Sewage Disposal System - Statement of Revenues, Expenses and Changes in Retained Earnings	30

TABLE OF CONTENTS (CONTINUED)

Henderson Sewage Disposal System - Statement of Cash Flows	31
Current Tax Collection Fund:	
Balance Sheet	32
Statement of Cash Receipts, Disbursements and Balances	33
General Fixed Assets Account Group:	
Schedule of General Fixed Assets	34
Analysis of Change in Fund Balance	35



# DEMIS and WENZLICK, P.C.

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## INDEPENDENT AUDITOR'S REPORT

Members of the Township Board  
Rush Township  
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of Rush Township, Shiawassee County, Michigan, as of and for the year ended March 31, 2004. These general-purpose financial statements are the responsibility of Rush Township management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with audit standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Rush Township, Michigan, as of March 31, 2004 and the results of its operations for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Vernon Township. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of August 6, 2004.

*Dennis and Wenglist, P.C.*

Certified Public Accountants

Owosso, Michigan  
August 6, 2004

RUSH TOWNSHIP  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2004

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	General	Special Revenue	Enterprise	Trust and Agency	General Fixed Assets
ASSETS:					
Cash & Cash Equivalents	\$ 98,561	\$ 72,844	\$ 92,147	\$ 25,322	\$
Assmt. Rec. - Current			10,570		
Operations & Maint. Rec.			576		
Accrued Int. Rec.			2,629		
Due from Other Funds	7,409	5,823			
Due from Other Gov't Units	2,292	3,242			
Prepaid Insurance	4,676				
Assessment Receivable - Long-Term			150,180		
Fixed Assets					62,772
Sewer System Assets (Net of Accum. Deprec.)			468,419		
Total Assets	\$ <u>112,938</u>	\$ <u>81,909</u>	\$ <u>724,521</u>	\$ <u>25,322</u>	\$ <u>62,772</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
COMBINED BALANCE SHEET (CONTINUED)  
ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2004

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	General	Special Revenue	Enterprise	Trust and Agency	General Fixed Assets
LIABILITIES:					
Accounts Payable	\$ 1,586	\$	\$ 464	\$	\$
Accrued Int. Payable			6,637		
Due to Other Funds				13,232	
Due to Other Gov't Units				12,090	
Current Mat. on Long Term Debt			5,000		
Revenue Bonds Payable			235,000		
Total Liabilities	\$ 1,586	\$ 0	\$ 247,101	\$ 25,322	\$ 0
FUND EQUITY:					
Contributed Capital			534,199		
Accumulated Amortization			(56,984)		
Investment in General Fixed Assets					62,772
Ret. Earnings- Unreserved			205		
Fund Balance	111,352	81,909			
Total Fund Equity	\$ 111,352	\$ 81,909	\$ 477,420	\$ 0	\$ 62,772
Total Liabilities & Fund Equity	\$ 112,938	\$ 81,909	\$ 724,521	\$ 25,322	\$ 62,772

The accompanying notes are an integral  
part of the financial statements.



RUSH TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
REVENUES:		
Taxes	\$ 39,227	\$ 55,165
Intergovernmental	110,579	-0-
Miscellaneous	<u>10,760</u>	<u>504</u>
TOTAL REVENUES	\$160,566	\$ 55,669
EXPENDITURES:		
Township Board	\$ 5,917	\$
Supervisor	6,000	
Elections	83	
Clerk	6,254	
Board of Review	936	
Treasurer	10,678	
Township Hall	2,396	
Assessor	10,065	
Attorney and Accountant	3,550	
Planning	125	
Fire and Ambulance	46,343	
Cemetery	9,603	
Street Lights	3,992	
Roads	106,239	
Insurance and Bonds	4,462	
Payroll Taxes	2,197	
Drains at Large	<u>1,667</u>	
TOTAL EXPENDITURES	\$220,507	\$ -0-
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	\$(59,941)	\$ 55,669
OTHER FINANCING SOURCES (USES):		
Transfer In	\$ 46,343	\$ -0-
Transfer Out	<u>-0-</u>	<u>(46,343)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ 46,343	\$ (46,343)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$(13,598)	\$ 9,326
Fund Balance at April 1, 2003	<u>124,950</u>	<u>72,583</u>
FUND BALANCE AT MARCH 31, 2004	\$ <u>111,352</u>	\$ <u>81,909</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES.  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUND TYPES  
YEAR ENDED MARCH 31, 2004

GENERAL FUND

SPECIAL REVENUE FUND TYPES

			ACTUAL (OVER) UNDER			ACTUAL (OVER) UNDER
REVENUES:	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
Property Taxes	\$ 43,200	\$ 39,227	\$ 3,973	\$ 48,000	\$ 55,165	\$ (7,165)
State Shared Revenues	102,000	110,579	(8,579)	0	0	0
Miscellaneous	9,900	10,760	(860)	0	504	(504)
TOTAL REVENUES	\$ 155,100	\$ 160,566	\$ (5,466)	\$ 48,000	\$ 55,669	\$ (7,669)
EXPENDITURES:						
Township Board	\$ 7,400	\$ 5,917	\$ 1,483	\$	\$	\$
Supervisor	6,000	6,000	0			
Elections	1,019	83	936			
Clerk	6,500	6,254	246			
Board of Review	1,400	936	464			
Treasurer	10,000	10,678	(678)			
Township Hall	2,800	2,396	404			
Assessor	10,400	10,065	335			
Planning Comm.	199	125	74			
Cemetery	9,900	9,603	297			
Attorney & Accountant	3,800	3,550	250			
Fire & Ambulance	48,000	46,343	1,657			
Street Lights	4,100	3,992	108			
Roads	115,000	106,239	8,761			
Insurance & Bonds	5,632	4,462	1,170			
Payroll Taxes	4,300	2,197	2,103			
Drains At Large	2,300	1,667	633			
TOTAL EXPENDITURES	\$ 238,750	\$ 220,507	\$ 18,243	\$ 0	\$ 0	\$ 0
REVENUES OVER (UNDER) EXPENDITURES	\$ (83,650)	\$ (59,941)	\$ (23,709)	\$ 48,000	\$ 55,669	\$ (7,669)
OTHER FINANCING SOURCES (USES):						
Transfer In	\$ 48,000	\$ 46,343	\$ 1,657	\$ 0	\$ 0	\$ 0
Transfer Out	0	0	0	48,000	46,343	1,657
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (35,650)	\$ (13,598)	\$ (22,052)	\$ 0	\$ 9,326	\$ (9,326)
Fund Balance, April 1, 2003		124,950			72,583	
Fund Balance, March 31, 2004		\$ 111,352			\$ 81,909	

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED MARCH 31, 2004

	<u>ENTERPRISE</u>
REVENUES:	
Sewer Revenues	\$ 4,160
Penalties	957
Interest on Sewer Assessments	28,056
Investment Interest	<u>517</u>
TOTAL REVENUES	\$ 33,690
EXPENDITURES:	
Operation	\$ 1,416
Maintenance & Miscellaneous	4,124
Agent Fees	350
Interest	15,841
Depreciation	<u>6,991</u>
	\$ <u>28,722</u>
NET INCOME (LOSS)	\$ 4,968
Current Year Amortization of Contribution in Aid of Construction - Assessment	\$ 4,269
Contribution in Aid of Construction - State	2,854
Retained Earnings, April 1, 2003	<u>(11,886)</u>
RETAINED EARNINGS, MARCH 31, 2004	<u>\$ 205</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED MARCH 31, 2004

	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss)	\$ 4,968
ADJUSTMENTS FROM OPERATING ACTIVITIES:	
Depreciation	\$ 6,991
(Increase) Decrease in Accrued Int. Rec.	233
(Increase) Decrease in Sewer Receivables	25,263
(Increase) Decrease in Due from Tax Acct.	177
(Decrease) Increase in Accrued Int. Payable	(137)
(Decrease) Increase in Accounts Payable	<u>103</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 37,598
CASH FLOW FROM FINANCING ACTIVITIES:	
Principal Payments	\$ <u>(5,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 32,598
Cash and Cash Equivalents, April 1, 2003	<u>59,549</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2004	\$ <u>92,147</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Township considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>BALANCE</u> <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3-31-04</u>
<u>CURRENT TAX COLLECTION FUND</u>				
ASSETS				
Cash	\$ <u>7,123</u>	\$790,067	\$771,868	\$25,322
	\$ <u>7,123</u>	\$790,067	\$771,868	\$25,322
LIABILITIES				
Due to Other Funds	\$ 1,151	\$101,071	\$ 88,990	\$13,232
Due to Other Taxing Entities	<u>5,972</u>	<u>688,996</u>	<u>682,878</u>	<u>12,090</u>
	\$ <u>7,123</u>	\$790,067	\$771,868	\$25,322

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
SCHEDULE OF BONDED DEBT - 1996  
SHIAWASSEE COUNTY SEWAGE DISPOSAL  
GENERAL OBLIGATION BOND ISSUE  
MARCH 31, 2004

Purpose of Issue: Acquisition of Sanitary Sewage System

Method of Payment: Revenue from Debt of Taxpayers

Date of Issue: April 1, 1996

Interest Rate: Varies

TOTAL

Amount Authorized and Sold \$270,000

Bonds Outstanding March 31, 2004 \$240,000

<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
05-01-04	\$ 5,000	\$ 7,903
11-01-04		7,731
05-01-05	10,000	7,731
11-01-05		7,387
05-01-06	10,000	7,387
11-01-06		7,044
05-01-07	10,000	7,044
11-01-07		6,700
05-01-08	10,000	6,700
11-01-08		6,356
THEREAFTER	<u>195,000</u>	<u>94,107</u>
	<u>\$240,000</u>	<u>\$166,090</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rush Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund type and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

Tax Collection Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agency for individuals, private organization, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.



RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives range from 5 to 75 years.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include; (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CASH AND INVESTMENTS

Cash includes amount in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond March 31, 2004, are recorded as prepaid items.

FUND EQUITY

The proprietary fund's contributed capital represents capital contribution from customers for the construction of a community sewage disposal system. This system is to meet Michigan Department of Public Health Standards.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide a post-retirement health care benefits.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consist with generally accepted accounting principles (GAAP).

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE B - REPORTING ENTITY

For financial reporting purposes, in conformance with NCGA Statement No. 3, Defining the Governmental Reporting Entity, Rush Township includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Supervisor or the Board respectively). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables are as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>FUND</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$7,409	Tax Fund	\$7,409
Fire & Amb.	\$5,823	Tax Fund	\$5,823

NOTE D - PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The county intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. It is anticipated this will take place in May, 2004. These taxes have been recorded as revenue for the current year.

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE E - CASH AND CERTIFICATES OF DEPOSIT

The Township's deposits consist of checking accounts and interest bearing money market accounts. At year end, the carrying amount of the townships deposits was \$288,873 and the bank balance was \$346,726, of the bank balance, \$204,865 was covered by Federal Depository Insurance. Only \$141,861 in money market accounts were neither insured nor collateralized.

The Township's deposit at March 31, 2004, consisted of cash and certificates of deposit at two financial institutions:

	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
<u>INSTITUTION A</u>			
Cash	\$ 21,690	\$ 21,690	\$ -0-
Time Deposits	<u>241,861</u>	<u>100,000</u>	<u>141,861</u>
	<u>\$263,551</u>	<u>\$121,690</u>	<u>\$141,861</u>
<u>INSTITUTION B</u>			
Cash	<u>\$ 83,175</u>	<u>\$ 83,175</u>	<u>\$ -0-</u>

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE F - FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>DESCRIPTION</u>	<u>BALANCE</u> <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-04</u>
Land & Bldg.	\$47,892	\$ -0-	\$ -0-	\$47,892
Equipment & Improvements	<u>14,880</u>	<u>-0-</u>	<u>-0-</u>	<u>14,880</u>
	<u>\$62,772</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$62,772</u>

A summary of proprietary fund type property, plant and equipment at March 31, 2004, follows:

Sewer System	\$524,349
Less: Accumulated Depreciation	<u>55,930</u>
NET	<u>\$468,419</u>

Depreciation expense for the year ended March 31, 2004 was \$6,991 for Sewer Fund.

NOTE G - CONTRIBUTED CAPITAL

The changes in the township's contributed capital accounts for the proprietary funds were as follows:

ENTERPRISES

HENDERSON SEWAGE  
DISPOSAL SYSTEM

Beginning Balance - Contributed Capital	
Assessment	\$290,266
Contributed Capital - State	194,072
Less: Current Year Amortization - Assessment	4,269
Current Year Amortization - Sate	<u>2,854</u>
Ending Balance - Contributed Capital	<u>\$477,215</u>

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE H - INTERFUND OPERATING TRANSFERS

	<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>
General Fund	\$46,343	\$ -0-
Fire and Ambulance Fund	<u>-0-</u>	<u>46,343</u>
	<u>\$46,343</u>	<u>\$46,343</u>

NOTE I - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	<u>TOTAL APPROPRIATION</u>	<u>AMOUNT OF EXPENDITURE</u>	<u>BUDGET VARIANCE</u>
<u>GENERAL FUND</u>			
Treasurer	\$10,000	\$ 10,678	\$ 678
<u>HENDERSON SEWAGE DISPOSAL SYSTEM</u>			
Expenditures	\$27,500	\$ 28,722	\$ 1,222



RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE J - SEWER FUND

On April 1, 1996, the Township of Rush entered into a contract with Shiawassee County whereby the county agreed to finance the cost of acquisition of sanitary sewage system for the township. Pursuant to this agreement, Shiawassee County issued \$270,000 of its bonds. As of March 31, 2004, \$240,000 of these bonds were outstanding. The bonds are payable primarily from monies derived from payments to be made by the township to the county in accordance with the terms of the contract.

The contribution in aid of construction is amortized by the same method and over the same life as the assets are depreciated.

Annual debt service requirements to maturity (principal only) are as follows:

<u>FISCAL YEAR</u> <u>ENDING 3-31-04</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
2004	\$ 5,000
2005	10,000
2006	10,000
2007	10,000
2008 and Thereafter	<u>205,000</u>
	<u>\$240,000</u>

NOTE K - SHIAWASSEE COUNTRY DRAIN COMMISSION

The Shiawassee County Drain Commission handled the bonding, receiving the bond money and disbursement of expenditures. As of March 31, 2004, there is a negative balance of \$(5,231.66) in escrow. Rush Township believes that they do not owe the Drain Commission. At this time, this negative escrow is not recorded on the financial statements.

OTHER FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

RUSH TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
MARCH 31, 2004 AND MARCH 31, 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash in Bank	\$ 98,561	\$119,518
Due from Other Funds	7,409	722
Due from Other Gov't. Units	2,292	2,175
Prepaid Insurance	<u>4,676</u>	<u>4,037</u>
	<u>\$112,938</u>	<u>\$126,452</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 483	\$ 496
Payroll Tax Payable	<u>1,103</u>	<u>1,006</u>
	\$ 1,586	\$ 1,502
 Fund Balance	 <u>111,352</u>	 <u>124,950</u>
	<u>\$112,938</u>	<u>\$126,452</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		ACTUAL (OVER) UNDER	<u>2003</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Taxes:				
Current Property				
Taxes	\$	\$ 30,837	\$	\$ 30,227
Penalties		211		399
Collection Fees		<u>8,179</u>		<u>8,310</u>
TOTAL TAXES	\$ 43,200	\$ 39,227	\$ 3,973	\$ 38,936
Intergovernmental:				
State of Michigan:				
Shared Revenues	\$	\$110,579	\$	\$116,501
TOTAL INTERGOV'T.	\$102,000	\$110,579	\$ (8,579)	\$116,501
Miscellaneous:				
Cable Fees	\$ -0-	\$ 2,748	\$ (2,748)	\$ 2,703
Internments	4,900	4,250	650	7,175
Cemetery Lot Sales	3,100	3,034	66	1,300
Interest Income	1,600	651	949	1,639
Misc. Income	<u>300</u>	<u>77</u>	<u>223</u>	<u>-0-</u>
TOTAL MISCELLANEOUS	\$ <u>9,900</u>	\$ <u>10,760</u>	\$ <u>(860)</u>	\$ <u>12,817</u>
TOTAL REVENUES	\$155,100	\$160,566	\$ (5,466)	\$168,254
EXPENDITURES:				
General Government:				
Twp. Board:				
Salaries-Trustees	\$	\$ 1,440	\$	\$ 1,380
Dues		681		718
Seminars		-0-		130
Office Wages		3,172		2,784
Printing Supplies				
& Miscellaneous		<u>624</u>		<u>603</u>
	\$ 7,400	\$ 5,917	\$ 1,483	\$ 5,615
Supervisor:				
Salaries	\$	\$ 6,000	\$	\$ 6,000
Supplies & Misc.		<u>-0-</u>		<u>183</u>
	\$ 6,000	\$ 6,000	\$ -0-	\$ 6,183
Elections:				
Wages	\$	\$ -0-	\$	\$ 1,351
Capital Outlay		-0-		1,500
Supplies & Misc.		<u>83</u>		<u>706</u>
	\$ 1,019	\$ 83	\$ 936	\$ 3,557

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

		<u>2004</u>		<u>2003</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
General Government:				
Clerk:				
Salaries	\$	\$ 6,124	\$	\$ 6,172
Office Supplies &				
Miscellaneous		<u>130</u>		<u>-0-</u>
	\$ 6,500	\$ 6,254	\$ 246	\$ 6,172
Board of Review:				
Salaries	\$	\$ 900	\$	\$ 1,125
Publications, Supp.				
& Misc.		<u>36</u>		<u>258</u>
	\$ 1,400	\$ 936	\$ 464	\$ 1,383
Treasurer:				
Salaries	\$	\$ 7,696	\$	\$ 6,028
Office Supplies &				
Misc.		<u>2,982</u>		<u>1,841</u>
	\$10,000	\$ 10,678	\$ (678)	\$ 7,869
Township Hall:				
Utilities	\$	\$ 2,073	\$	\$ 1,991
Repairs & Maint.		<u>323</u>		<u>-0-</u>
	\$ 2,800	\$ 2,396	\$ 404	\$ 1,991
Assessor:				
Professional Serv.	\$	\$ 9,600	\$	\$ 9,600
Supplies		<u>465</u>		<u>778</u>
	\$10,400	\$ 10,065	\$ 335	\$ 10,378
Planning:				
Salaries	\$	\$ 125	\$	\$ 125
	\$ 199	\$ 125	\$ 74	\$ 125

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>AMENDED</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
<u>BUDGET</u>				
EXPENDITURES:				
Cemetery:				
Wages	\$	\$ 8,330	\$	\$ 4,386
Supplies & Misc.		<u>1,273</u>		<u>5,713</u>
	\$ 9,900	\$ 9,603	\$ 297	\$ 10,099
General Government:				
Atty & Accountant	\$ 3,800	\$ 3,550	\$ 250	\$ 3,100
Fire & Ambulance	48,000	46,343	1,657	45,255
Street Lights	4,100	3,992	108	3,988
Roads	115,000	106,239	8,761	114,092
Insurance & Bonds	5,632	4,462	1,170	3,731
Payroll Taxes	4,300	2,197	2,103	2,033
Drains at Large	<u>2,300</u>	<u>1,667</u>	<u>633</u>	<u>2,045</u>
TOTAL EXPENDITURES	<u>\$238,750</u>	<u>\$220,507</u>	<u>\$ 18,243</u>	<u>\$227,616</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (83,650)	\$ (59,941)	\$ (23,709)	\$ (59,362)
OTHER FINANCING SOURCES (USES):				
Transfer In	\$ <u>48,000</u>	\$ <u>46,343</u>	\$ <u>1,657</u>	\$ <u>45,255</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING USES	<u>\$ (35,650)</u>	<u>\$ (13,598)</u>	<u>\$ (22,052)</u>	<u>\$ (14,107)</u>
Fund Balance, April 1, 2003		<u>124,950</u>		<u>139,057</u>
FUND BALANCE, MARCH 31, 2004		<u>\$111,352</u>		<u>\$124,950</u>

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUND

FIRE AND AMBULANCE FUND

Fire and Ambulance Fund is used to account for fees received and monies disbursed for Township fire protection and ambulance service.



RUSH TOWNSHIP  
FIRE AND AMBULANCE FUND  
BALANCE SHEET  
MARCH 31, 2004 AND MARCH 31, 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash in Bank	\$72,844	\$69,338
Due from Other Funds	5,823	252
Due from Other Governmental Units	<u>3,242</u>	<u>2,993</u>
	<u>\$81,909</u>	<u>\$72,583</u>
 FUND BALANCE	 <u>\$81,909</u>	 <u>\$72,583</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
FIRE AND AMBULANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

		<u>2004</u>		<u>2003</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>			
REVENUES:				
Property Taxes	\$48,000	\$ 55,165	\$ (7,165)	\$ 53,848
Interest Earned	<u>-0-</u>	<u>504</u>	<u>(504)</u>	<u>603</u>
TOTAL REVENUES	\$48,000	\$ 55,669	\$ (7,669)	\$ 54,451
Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$48,000	\$ 55,669	\$ (7,669)	\$ 54,451
OTHER FINANCING SOURCES (USES):				
Transfer Out	<u>48,000</u>	<u>46,343</u>	<u>1,657</u>	<u>45,255</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ <u>-0-</u>	\$ 9,326	\$ <u>(9,326)</u>	\$ 9,196
Fund Balance, April 1, 2003		<u>72,583</u>		<u>63,387</u>
FUND BALANCE, MARCH 31, 2004		\$ <u>81,909</u>		\$ <u>72,583</u>

The accompanying notes are an integral  
part of the financial statements.

ENTERPRISE FUND

Henderson Sewage Disposal System - To account for the provision and disbursement of monies related to the construction of a community disposal system to meet Michigan Department of Public Health Standards, including, but not limited to, administration, construction, operation, maintenance, financing and related debt service, and billing and collection.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 BALANCE SHEET  
 MARCH 31, 2004 AND MARCH 31, 2003

ASSETS

	<u>2004</u>	<u>2003</u>
CURRENT ASSETS:		
Cash	\$ 92,147	\$ 59,549
Accrued Interest Receivable	2,629	2,862
Assessments Receivable -		
Current	10,570	11,623
Due from Tax Account	<u>-0-</u>	<u>177</u>
TOTAL CURRENT ASSETS	\$105,346	\$ 74,211
 PROPERTY AND PLANT:		
Sewer System	\$524,349	\$524,349
Accumulated Depreciation	<u>55,930</u>	<u>(48,939)</u>
TOTAL PROPERTY AND PLANT	\$468,419	\$475,410
 OTHER ASSETS:		
Assessments Receivable -		
Long-Term	\$150,180	\$174,220
Operation and Maintenance		
Receivable	<u>576</u>	<u>746</u>
TOTAL OTHER ASSETS	<u>\$150,756</u>	<u>\$174,966</u>
	<u>\$724,521</u>	<u>\$724,587</u>

The accompanying notes are an integral  
 part of the financial statements.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 BALANCE SHEET (CONTINUED)  
 MARCH 31, 2004 AND MARCH 31, 2003

LIABILITIES AND FUND EQUITY

	<u>2004</u>	<u>2003</u>
CURRENT LIABILITIES:		
Current Maturities on Long-Term Debt	\$ 5,000	\$ 5,000
Accrued Interest Payable	6,637	6,774
Accounts Payable	<u>464</u>	<u>361</u>
TOTAL CURRENT LIABILITIES	\$ 12,101	\$ 12,135
LONG-TERM LIABILITIES:		
Bond Payable, Less Current Maturities	<u>\$235,000</u>	<u>\$240,000</u>
TOTAL LONG-TERM LIABILITIES	\$235,000	\$240,000
FUND EQUITY:		
Contribution in Aid of Construction - Assessments	\$320,149	\$320,149
Accumulated Amortization - Assessment	(34,152)	(29,883)
Contribution in Aid of Construction - State	214,050	214,050
Accumulated Amortization - State	<u>(22,832)</u>	<u>(19,978)</u>
	\$477,215	\$484,338
Retained Earnings	<u>205</u>	<u>(11,886)</u>
TOTAL FUND EQUITY	<u>\$477,420</u>	<u>\$472,452</u>
	<u>\$724,521</u>	<u>\$724,587</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL (OVER) UNDER BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Sewer Revenues	\$	\$ 4,160	\$	\$ 4,160
Penalties		957		1,338
Interest on Sewer Debt		28,056		20,496
Investment Interest		<u>517</u>		<u>467</u>
TOTAL REVENUES	\$ 27,500	\$ 33,690	\$ (6,190)	\$ 26,461
EXPENDITURES:				
Operation	\$	\$ 1,416	\$	\$ 1,349
Maint. & Misc.		4,124		5,366
Agent Fees		350		350
Interest		15,841		16,178
Depreciation		<u>6,991</u>		<u>6,991</u>
TOTAL EXPENDITURES	\$ 27,500	\$ 28,722	\$ (1,222)	\$ 30,234
NET INCOME (LOSS)	\$ <u>-0-</u>	\$ 4,968	\$ <u>(4,968)</u>	\$ (3,773)
Current Year Amortization of Contribution in Aid of Construction				
Assessment		4,269		4,269
State		<u>2,854</u>		<u>2,854</u>
		\$ 7,123		\$ 7,123
Retained Earnings, April 1,		(11,886)		(15,236)
RETAINED EARNINGS, MARCH 31,		\$ <u>205</u>		\$ (11,886)

The accompanying notes are an integral  
 part of the financial statements.

RUSH TOWNSHIP  
HENDERSON SEWAGE DISPOSAL SYSTEM  
STATEMENT OF CASH FLOWS  
YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss) Net of		
Amortization	\$ 4,968	\$ (3,773)
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 6,991	\$ 6,991
(Increase) Decrease in		
Accrued Interest Receivable	233	838
(Increase) Decrease in Sewer		
Receivables	25,263	19,064
(Increase) Decrease in Due from		
Tax Account	177	(177)
(Decrease) Increase in Accrued		
Interest Payable	(137)	(144)
(Decrease) Increase in Accounts		
Payable	<u>103</u>	<u>183</u>
NET CASH FLOWS FROM OPERATING		
ACTIVITIES	\$ 37,598	\$ 22,982
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments	\$ <u>(5,000)</u>	\$ <u>(5,000)</u>
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	\$ 32,598	\$ 17,982
Cash and Cash Equivalents,		
April 1, 2003	<u>59,549</u>	<u>41,567</u>
CASH AND CASH EQUIVALENTS,		
MARCH 31, 2004	\$ <u>92,147</u>	\$ <u>59,549</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statement of cash flows, the township considers all highly liquid investments, such as certificates of deposits to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township fund involved therein, and to other governmental agencies.



RUSH TOWNSHIP  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2004 AND MARCH 31, 2003

CURRENT TAX COLLECTION FUND

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank	\$25,322	\$ 7,123
	<u>\$25,322</u>	<u>\$ 7,123</u>
LIABILITIES:		
Due to Other Funds	\$13,232	\$ 1,151
Due to Other Gov't Units	<u>12,090</u>	<u>5,972</u>
	\$25,322	\$ 7,123
FUND BALANCE	<u>-0-</u>	<u>-0-</u>
	<u>\$25,322</u>	<u>\$ 7,123</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
CURRENT TAX COLLECTION FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>	<u>2003</u>		
Cash Receipts:				
2003 Roll Property Tax Collections:				
Owosso Schools	\$124,567		\$122,962	
Chesaning Schools	2,144		2,278	
Ovid-Elsie Schools	25,645		24,977	
Saginaw Intermediate Schools	773		762	
Shiawassee County	486,339		501,195	
Clinton Co. Resa	9,865		9,867	
Shiawassee District Library	36,696		35,967	
Rush Township	<u>85,193</u>	\$771,222	<u>87,408</u>	\$785,416
Other Receipts:				
Tax Collection Fees	\$ 8,179		\$ 7,829	
Penalties	464		399	
Dog Licenses	120		165	
Overpayments	486		601	
2002 Delinquents	<u>9,596</u>	<u>18,845</u>	<u>12,529</u>	<u>21,523</u>
TOTAL CASH RECEIPTS		\$790,067		\$806,939
Cash Disbursements:				
Owosso Schools	\$124,188		\$119,737	
Chesaning Schools	2,085		2,278	
Ovid-Elsie Schools	25,195		24,997	
Saginaw Intermediate Schools	753		870	
Shiawassee County	482,248		498,816	
Clinton County Resa	9,721		9,843	
Rush Township	88,990		104,191	
Shiawassee District Library	38,211		38,716	
Overpayments	<u>477</u>	<u>771,868</u>	<u>601</u>	<u>800,049</u>
EXCESS (DECREASE) OF CASH RECEIPTS OVER (UNDER)				
CASH DISBURSEMENTS		\$ 18,199		\$ 6,890
Cash Balances:				
Cash Balance at March 31, 2003 and March 31, 2002		<u>7,123</u>		<u>233</u>
CASH BALANCE AT MARCH 31, 2004 AND MARCH 31, 2003		\$ <u>25,322</u>		\$ <u>7,123</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in  
proprietary fund operations or accounted  
for in trust funds.

RUSH TOWNSHIP  
SCHEDULE OF GENERAL FIXED ASSETS  
MARCH 31, 2004

General Fixed Assets:	
Land and Building	\$47,892
Equipment and Improvements	<u>14,880</u>
	<u>\$62,772</u>
Investment in General Fixed Assets	<u>\$62,772</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
FIXED ASSET FUND  
ANALYSIS OF CHANGE IN FUND BALANCE  
MARCH 31, 2004

	<u>BALANCE</u> <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-04</u>
Land & Building	\$47,892	\$ -0-	\$ -0-	\$47,892
Equipment	<u>14,880</u>	<u>-0-</u>	<u>-0-</u>	<u>14,880</u>
	<u>\$62,772</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$62,772</u>

The accompanying notes are an integral  
part of the financial statements.



# DEMIS and WENZLICK, P.C.

Certified Public Accountants

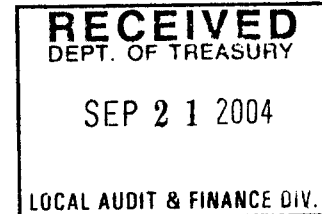
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Joyce M. Simmons  
Geraldine Terry, C.P.A.

Members of the Township Board  
Township of Rush  
Shiawassee County, Michigan



In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Rush for the year ended March 31, 2004.

As a result of our examination of the Township's financial statements, we make the following comments:

## BUDGET

The State Revenue Sharing Distribution; Law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is required under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31.

Separate budgets should be adopted for the General Fund, Fire and Ambulance Fund and Sewer Fund.

## GASB 34

The Government Accounting Standard Board issued Statement #34. This statement significantly changes governmental financial reporting, requires reporting of infrastructure, including related depreciation and requires management discussion and analysis of the government's financial condition. The effective date of this statement is March 31, 2005 for Rush Township.

The State of Michigan has indicated it will not enforce compliance with GASB 34. We will, at a later time, itemize both the advantages and disadvantages of to Rush Township's compliance with this statement.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township, in these matters or any future matters please do not hesitate to contact us.

*Dennis and Wengert, P.C.*

Certified Public Accountants

Owosso, Michigan  
August 6, 2004